

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)	
)	
TRIOUS ENERGY, LLP)	
JEFFREY SCOTT TYSON)	
EMERSON - GUCKIAN PROJECT JV)	ADMINISTRATIVE ORDER
ALAN SWAN)	NO. CD-2011-0009
WEST GOMEZ 1 PROJECT)	
CURTIS MENCHACA)	
)	
<u>RESPONDENTS</u>)	

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, has determined as follows.

RESPONDENTS

1. TRIUS ENERGY, LLC ("TRIOUS ENERGY") is a Texas partnership with its principal place of business located at 11615 Angus Road, Suite 211, Austin, Texas 78759.
2. JEFFREY SCOTT TYSON ("TYSON") is the President/CEO and the Managing Member of TRIUS ENERGY, with his principal place of business located at 11615 Angus Road, Suite 211, Austin, Texas 78759.
3. EMERSON - GUCKIAN PROJECT JV ("EGP JV") is a Texas Joint Venture operated by TRIUS ENERGY, with its principal place of business located at 11615 Angus Road, Suite 203, Austin, Texas 78759.
4. ALAN SWAN ("SWAN") is an agent of TRIUS ENERGY, with his principal place of business located at 11615 Angus Road, Suite 211, Austin, Texas 78759.

5. WEST GOMEZ 1 PROJECT ("WEST GOMEZ") is a Texas Joint Venture operated by TRIUS ENERGY, with its principal place of business located at 11615 Angus Road, Suite 203, Austin, Texas 78759.

6. CURTIS MENCHACA ("MENCHACA") is an agent of TRIUS ENERGY, with his principal place of business located at 11615 Angus Road, Suite 211, Austin, Texas 78759.

STATEMENT OF FACTS

7. TRIUS ENERGY is a Texas limited liability company and the "Managing Venturer" for the EGP JV and WEST GOMEZ Ventures. As "Managing Venturer", TRIUS ENERGY had the exclusive power and authority to conduct all business of the venture. Offering documents, received by the Alabama resident, indicate that TYSON is the President/CEO of TRIUS ENERGY.

8. During the month of December 2006, an Alabama resident received the first of a series of telephone call solicitations for investments in EGP JV and WEST GOMEZ. Specifically, the resident alleges that SWAN and other unidentified agents from TRIUS ENERGY utilized high pressure sales tactics during the calls to solicit an initial investment in EGP JV.

9. Following the phone call, TRIUS ENERGY, TYSON, and SWAN mailed the Alabama resident a copy of the EGP JV offering material which resulted in the Alabama resident investing in the EGP JV project. By submitting the Subscription Agreement on December 13, 2006 and check for \$24,000.00, the investor received 2 units, or 8% of working interest, in the project. The EGP JV project purportedly involved the development of three separate oil wells.

10. In August of 2007, the Alabama resident received additional phone calls from MENCHACA. The Alabama resident alleges that MENCHACA also utilized high pressure sales tactics, primarily to solicit investment funds for the WEST GOMEZ drilling project.

11. On August 15, 2007, the Alabama resident completed a Subscription Agreement and Purchaser Questionnaire for the WEST GOMEZ Venture. The Subscription Agreement and accompanying check evidenced an investment of \$16,000.00 for 0.5 units of interest, at a rate of \$32,000.00 per unit.

12. The Alabama resident stated that he received a single dividend payment of \$237.20, on July 8, 2008, from the EGP JV project. However, no other returns from the EGP JV project were received after the investment in WEST GOMEZ.

13. The Alabama resident further stated that, over the next year, he received three dividend payments from TRIUS ENERGY for the WEST GOMEZ Venture. The payments are as follows: \$107.48 in January 2008, \$29.16 in February 2008, \$41.10 in April 2008, and \$1.58 in October 2008.

14. Prior to December 2008, TRIUS ENERGY represented that EGP JV and WEST GOMEZ were not feasibly productive and had ceased operating the well sites. However, on December 2, 2008, TRIUS ENERGY made a request to the Alabama resident for \$2,548.75 of additional working capital to perform a re-completion attempt of the WEST GOMEZ site.

15. The Commission's investigation revealed that the Alabama resident had no prior business or personal relationship with TRIUS ENERGY, that the purpose of the call was to solicit an investment in EGP JV (and later in WEST GOMEZ), and that the initial telecommunication was an unsolicited "cold call."

16. Further, the investor information utilized in both offerings' Subscription Agreement and Purchaser Questionnaire failed to meet the standards for qualifying the Alabama resident as an accredited investor.

17. A review of the files of the Commission, disclosed no record of registration for TRIUS ENERGY, TYSON, SWAN, or MENCHACA as securities agents or dealers in the State of Alabama.

18. A review of the files of the Commission disclosed Regulation D, Rule 506 Notice Filings, dated April 30, 2008, for both EGP JV and WEST GOMEZ.

CONCLUSIONS OF LAW

19. Pursuant to Section 8-6-2(10), Code of Alabama 1975, Alabama's statutory definition of a security includes any certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such title or lease. The interest in the EGP JV and WEST GOMEZ offered by TRIUS ENERGY, TYSON, SWAN, and MENCHACA constitute certificates of interest or participation in an oil, gas or mining title lease or in payments out of production under such title or lease. The investments, offered by the RESPONDENTS, are securities under the Act.

20. Pursuant to Section 8-6-2(5), Code of Alabama 1975, the definition of an "issuer" includes every person who proposes to issue, has issued, or shall hereafter issue any security. EGP JV, WEST GOMEZ, and TRIUS by issuing the securities, to wit: the interests of EGP JV and WEST GOMEZ, are issuers as defined by the Act.

21. Pursuant to Section 8-6-2(2), Code of Alabama 1975, the definition of an "agent" includes any individual who represents a dealer or issuer in effecting or attempting to effect sales of securities. TYSON, SWAN, and MENCHACA, by soliciting the sale of securities to an Alabama resident, to wit: the interests of EGP JV and WEST GOMEZ, acted as securities "agents" as defined by the Act.

22. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for a person to transact business in this state as an agent for securities unless such person is registered under the Act. TYSON, SWAN, and MENCHACA solicited sales of securities to Alabama residents while not registered as agents with the Commission in violation of the Act.

23. Pursuant to Section 8-6-3(a), it is unlawful for any dealer or issuer to employ an agent unless the agent is registered. EGP JV, WEST GOMEZ, and TRIUS ENERGY as issuers employed TYSON, SWAN, and MENCHACA as agents while not being properly registered in violation of the Act.

24. RESPONDENTS offered securities to an Alabama resident pursuant to a notice filing in Alabama which claimed an exemption from registration for a limited offering of securities under Regulation D, Rule 506 of the Securities Act of 1933. RESPONDENTS made "cold calls" to the Alabama resident in violation of the United States Securities and Exchange Commission Regulation 230.502(c), regarding Limitation on Manner of Offering which prohibits any type of general solicitation in the offer of securities subject to the exemption. Based on RESPONDENTS violation of SEC Rule 230.502(c), RESPONDENTS are not eligible for, nor were the securities offered subject to any perfected exemption.

25. Section 8-6-4, Code of Alabama 1975 states: It is unlawful for any person to offer or sell any security in this state unless it is registered under the Act; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. The securities offered and sold, to wit: the interests in EGP JV and WEST GOMEZ sold by TRIUS ENERGY, TYSON, SWAN, and MENCHACA were neither registered nor subject to any perfected exemption from registration in Alabama in violation of the Act.

This Order does not prevent the Alabama Securities Commission from seeking such other civil or criminal remedies that are available to it under the Alabama Securities Act.

This Order is appropriate in the public interest for the protection of investors and consistent with the purpose of the Alabama Securities Act.

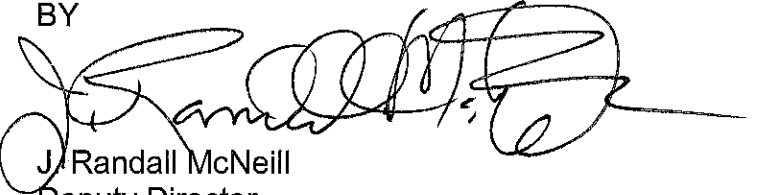
Additionally, if the allegations set forth herein are found to be true, through administrative adjudication, failure of the RESPONDENTS to make a timely request for hearing, or default of the RESPONDENTS, it is the intention of the Commission to impose sanctions upon the RESPONDENTS. Such sanctions may include, inter alia, an administrative assessment imposed on RESPONDENTS, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against RESPONDENTS, and a permanent order to bar RESPONDENTS from participation in any securities related industry in the state of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS TRIUS ENERGY, LLC, JEFFREY SCOTT TYSON, EMERSON - GUCKIAN PROJECT JV, ALAN SWAN, WEST GOMEZ 1 PROJECT, and CURTIS MENCHACA immediately CEASE AND DESIST from further offers or sales of any security into, within, or from the State of Alabama.

Entered at Montgomery, Alabama, this 19th day of April, 2011.



ALABAMA SECURITIES COMMISSION
401 Adams Avenue, Suite 280
Montgomery, Alabama 36104-4700
BY


J. Randall McNeill
Deputy Director